

**STATE RISK MANAGEMENT FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2007**

	July-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Month Net ROR	FYTD Net	FY07 Net	Ended 6/30/2007 Net	Ended 6/30/2007 Net
<b>LARGE CAP DOMESTIC EQUITY</b>								
<i>Structured Growth</i>								
Los Angeles Capital	118,475	3.2%	3.4%	-3.21%	-3.21%	21.84%	13.35%	N/A
<b>Total Structured Growth</b>	<b>118,475</b>	<b>3.2%</b>	<b>3.4%</b>	<b>-3.21%</b>	<b>-3.21%</b>	<b>21.84%</b>	<b>13.35%</b>	<b>10.94%</b>
<i>Russell 1000 Growth</i>				-1.55%	-1.55%	19.04%	8.70%	9.28%
<i>Structured Value</i>								
LSV	114,990	3.1%	3.4%	-4.84%	-4.84%	23.77%	19.00%	16.55%
<i>Russell 1000 Value</i>				-4.62%	-4.62%	21.87%	15.93%	13.31%
<i>Russell 1000 Enhanced Index</i>								
LA Capital	234,629	6.4%	6.8%	-3.86%	-3.86%	21.27%	13.46%	N/A
<i>Russell 1000</i>				-3.09%	-3.09%	20.43%	12.34%	
<i>S&amp;P 500 Enhanced Index</i>								
Westridge	252,621	6.9%	6.8%	-1.62%	-1.62%	21.12%	11.98%	N/A
<i>S&amp;P 500</i>				-3.10%	-3.10%	20.59%	11.68%	
<i>Index</i>								
State Street	72,283			-4.09%	-4.09%	21.82%	12.34%	11.08%
<b>Total 130/30</b>	<b>72,283</b>	<b>2.0%</b>	<b>2.3%</b>	<b>-4.09%</b>	<b>-4.09%</b>	<b>21.82%</b>	<b>12.34%</b>	<b>11.08%</b>
<i>S&amp;P 500</i>				-3.10%	-3.10%	20.59%	11.68%	10.71%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>792,998</b>	<b>21.7%</b>	<b>22.5%</b>	<b>-3.22%</b>	<b>-3.22%</b>	<b>21.86%</b>	<b>13.76%</b>	<b>12.22%</b>
<i>S&amp;P 500</i>				-3.10%	-3.10%	20.59%	11.68%	10.71%
<b>SMALL CAP DOMESTIC EQUITY</b>								
<i>Manager-of-Managers</i>								
SEI	131,478	3.6%	3.8%	-6.33%	-6.33%	18.39%	13.70%	14.37%
<i>Russell 2000 + 200bp</i>				-6.67%	-6.67%	18.76%	15.72%	16.16%
<i>Enhanced</i>								
Research Affiliates	126,376	3.5%	3.8%	N/A	N/A	N/A	N/A	N/A
<i>Russell 2000</i>				-6.84%	-6.84%			
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>257,854</b>	<b>7.1%</b>	<b>7.5%</b>	<b>-6.33%</b>	<b>-6.33%</b>	<b>18.39%</b>	<b>13.70%</b>	<b>14.37%</b>
<i>Russell 2000</i>				-6.84%	-6.84%	16.44%	13.45%	13.88%
<b>DOMESTIC FIXED INCOME</b>								
<i>Core Bond</i>								
Western Asset	728,859	19.9%	20.2%	0.16%	0.16%	7.29%	4.44%	5.64%
<i>Lehman Aggregate</i>				0.83%	0.83%	6.12%	3.98%	4.48%
<i>Mortgage Backed</i>								
Hyperion	205,961	5.6%	5.2%	0.09%	0.09%	N/A	N/A	N/A
<i>Lehman Global Aggregate (US Securitized Portion)</i>				1.09%	1.09%			
<i>Core Plus/Enhanced</i>								
Clifton Group	203,873	5.6%	5.2%	1.64%	1.64%	5.52%	N/A	N/A
Prudential	199,355	5.5%	5.2%	-0.29%	-0.29%	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>403,228</b>	<b>11.0%</b>	<b>10.4%</b>	<b>0.67%</b>	<b>0.67%</b>	<b>5.95%</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Aggregate</i>				0.83%	0.83%	6.12%		
<i>Index</i>								
Bank of ND	362,035	9.9%	9.1%	1.11%	1.11%	5.45%	2.92%	4.32%
<i>Lehman Gov/Credit (1)</i>				1.00%	1.00%	6.00%	3.04%	4.35%
<i>BBB Average Quality</i>								
Wells Capital (formerly Strong)	719,429	19.7%	20.2%	-0.21%	-0.21%	7.93%	4.86%	6.59%
<i>Lehman US Credit BAA</i>				-0.06%	-0.06%	7.54%	4.47%	6.59%
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>2,419,511</b>	<b>66.2%</b>	<b>65.0%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>7.11%</b>	<b>3.89%</b>	<b>5.04%</b>
<i>Lehman Aggregate (2)</i>				0.83%	0.83%	6.12%	4.13%	4.87%
<b>CASH EQUIVALENTS</b>								
Bank of ND	185,829	5.1%	5.0%	0.44%	0.44%	5.36%	4.10%	3.00%
<i>90 Day T-Bill</i>				0.39%	0.39%	5.21%	3.78%	2.76%
<b>TOTAL RISK MANAGEMENT FUND</b>	<b>3,656,191</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.02%</b>	<b>-1.02%</b>	<b>11.20%</b>	<b>6.46%</b>	<b>7.26%</b>
<i>POLICY TARGET BENCHMARK</i>				-0.65%	-0.65%	10.02%	6.27%	6.80%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.